

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION**

In re: SPHERATURE INVESTMENTS LLC, <i>et al.</i> Debtors.¹	§ § § § § §	Chapter 11 Case No.: 20-42492 Jointly Administered
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**SUMMARY OF FIRST AND FINAL FEE APPLICATION OF
LARX ADVISORS INC. FOR COMPENSATION FOR SERVICES AND
REIMBURSEMENT OF EXPENSES AS CHIEF RESTRUCTURING OFFICER AND
FINANCIAL ADVISOR TO THE DEBTORS FOR THE PERIOD
OF DECEMBER 21, 2020 TO NOVEMBER 12, 2021**

YOUR RIGHTS MAY BE AFFECTED BY THE RELIEF SOUGHT IN THIS PLEADING. YOU SHOULD READ THIS PLEADING CAREFULLY AND DISCUSS IT WITH YOUR ATTORNEY, IF YOU HAVE ONE IN THIS BANKRUPTCY CASE. IF YOU OPPOSE THE RELIEF SOUGHT BY THIS PLEADING, YOU MUST FILE A WRITTEN OBJECTION, EXPLAINING THE FACTUAL AND/OR LEGAL BASIS FOR OPPOSING THE RELIEF.

NO HEARING WILL BE CONDUCTED ON THIS MOTION/OBJECTION/APPLICATION UNLESS A WRITTEN OBJECTION IS FILED WITH THE CLERK OF THE UNITED STATES BANKRUPTCY COURT AND SERVED UPON THE PARTY FILING THIS PLEADING WITHIN TWENTY-ONE (21) DAYS FROM THE DATE OF SERVICE SHOWN IN THE CERTIFICATE OF SERVICE UNLESS THE COURT SHORTENS OR EXTENDS THE TIME FOR FILING SUCH OBJECTION. IF NO OBJECTION IS TIMELY SERVED AND FILED, THIS PLEADING SHALL BE DEEMED TO BE UNOPPOSED, AND THE COURT MAY ENTER AN ORDER GRANTING THE RELIEF SOUGHT. IF AN OBJECTION IS FILED AND SERVED IN A TIMELY MANNER, THE COURT WILL THEREAFTER SET A HEARING WITH APPROPRIATE NOTICE. IF YOU FAIL TO APPEAR AT THE HEARING,

¹ The “Debtors” in the above-captioned jointly administered chapter 11 bankruptcy cases (“Cases”) are: Spherature Investments LLC EIN#5471; Rovia, LLC EIN#7705; WorldVentures Marketing Holdings, LLC EIN#3846; WorldVentures Marketplace, LLC EIN#6264; WorldVentures Marketing, LLC EIN#3255; WorldVentures Services, LLC EIN#2220.

FIRST AND FINAL FEE APPLICATION OF LARX ADVISORS INC. FOR COMPENSATION FOR SERVICES AND REIMBURSEMENT OF EXPENSES AS CHIEF RESTRUCTURING OFFICER AND FINANCIAL ADVISOR TO THE DEBTORS FOR THE PERIOD OF DECEMBER 21, 2020 TO NOVEMBER 12, 2021

YOUR OBJECTION MAY BE STRICKEN. THE COURT RESERVES THE RIGHT TO SET A HEARING ON ANY MATTER.

Name of Applicant:	Larx Advisors Inc.
Authorized to provide professional services to:	Debtors and Debtors-in-Possession
Effective Date of Retention:	December 21, 2021
Compensation Period:	December 21, 2020 through November 12, 2021
Time Period covered by any prior Applications:	N/A
Total amount awarded in all prior applications:	None
Total fees requested in the First and Final Application Period:	\$1,498,245.00
Total actual professional hours covered by the First and Final Application:	2,964.0
Average hourly rate for professionals for the First Application Period:	\$505.48
Reimbursable expenses sought in the First and Final Application Period:	\$5,454.89
Total to be paid to Priority Unsecured Creditors:	Unknown
Anticipated % Dividend to Priority Unsecured Creditors:	Unknown
Total to be paid to General Unsecured Creditors:	Unknown
Anticipated % Dividend to Unsecured Creditors:	Unknown
Dates of confirmation hearings:	10/29/21 – 11/12/21
Indicate whether the plan has been confirmed:	Plan Confirmed

DATED: November 29, 2021

Respectfully submitted:

/s/ Erik Toth

Erik Toth
CEO & Managing Partner
Larx Advisors Inc.
2600 Network Boulevard,
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**CHIEF RESTRUCTURING OFFICER
AND FINANCIAL ADVISOR
FOR THE DEBTORS
AND DEBTORS-IN-POSSESSION**

FIRST AND FINAL FEE APPLICATION OF LARX ADVISORS INC. FOR COMPENSATION FOR SERVICES AND REIMBURSEMENT OF EXPENSES AS CHIEF RESTRUCTURING OFFICER AND FINANCIAL ADVISOR TO THE DEBTORS FOR THE PERIOD OF DECEMBER 21, 2020 TO NOVEMBER 12, 2021

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Larx Advisors Inc. (“**Larx**”), which was approved to provide Erik Toth as the Chief Restructuring Officer (“**CRO**”) and financial advisory services to Spherature Investments LLC (“**Spherature**”), together with its affiliates identified herein, as debtors and debtors-in-possession (collectively, the “**Debtors**”), hereby submits its first and final fee application (the “**Final Application**”) pursuant to (i) sections 330 and 331 of Title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “**Bankruptcy Code**”); (ii) Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”); (iii) Rule 2016-1 of the Local Rules of Bankruptcy Procedure for the Eastern District of Texas (the “**Local Rules**”); (iv) the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330 issued by the Executive Office for United States Trustees (the “**Trustee Guidelines**”); (v) Exhibit H of the United States Bankruptcy Court for the Eastern District of Texas Appendix 9007: Procedures for Complex Chapter 11 Cases in Texas Bankruptcy Courts - “Guidelines for Compensation and Expense Reimbursement of Professionals in Complex Chapter 11 Cases (the “**Exhibit H Guidelines**”); (vi) the *Order Granting Complex Chapter 11 Case Treatment* [Docket No. 50]; and (vii) the *Amended Order Granting Motion for Administrative Order Under Bankruptcy Code Sections 105(A) and 331 Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals* [Docket No. 153] (the “**Interim Compensation Order**”). On March 1, 2021, the Honorable Brenda T. Rhoades, Bankruptcy Judge for the United States Bankruptcy Court for the Eastern District of Texas (the “**Court**”) entered an *Amended Order Granting Motion for Administrative Order Under Bankruptcy Code*

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Sections 105(a) and 331 Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals (the “**Interim Compensation Order**”) [Docket No. 153].

Larx submits this Final Application for allowance of compensation for services rendered in the aggregate amount of \$1,498,245.00 and for reimbursement of actual and necessary expenses incurred by Larx in the amount of \$5,454.89 for the period of December 21, 2020 through November 12, 2021 (the “**Compensation Period**”). In support of this Final Application, Larx respectfully submits as follows:

JURISDICTION

1. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b), and the Court may enter a final order consistent with Article III of the United States Constitution.

2. Venue is proper in this District pursuant to 28 U.S. C. §§ 1408 and 1509.

3. The statutory bases for the relief requested herein are sections 330 and 331 of the Bankruptcy Code, Bankruptcy Rules 2016, and Local Rule 2016-1.

CASE BACKGROUND

4. On December 21, 2020 (the “**Petition Date**”), each of the Debtors commenced a voluntary case under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Eastern District of Texas (the “**Court**”), thereby initiating the above-captioned cases (the “**Chapter 11 Cases**”). The Debtors are authorized to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No examiner has been appointed in these Chapter 11 Cases.

5. Contemporaneously with the filing of their first-day motions, the Debtors filed declaration testimony by Erik Toth (the “**Toth Declaration**”), which contains additional background information on the Debtors and their operations. The content of the Toth Declaration are incorporated by reference, as if set forth herein verbatim, pursuant to Federal Rule of Civil Procedure 10(c).

6. On December 30, 2020, the Court entered an Order directing the joint administration of the Debtors’ related Chapter 11 Cases [Docket No. 45], and also entered an *Order Granting Complex Chapter 11 Case Treatment* [Docket No. 50].

7. On January 22, 2021, the Office of the United States Trustee for the Eastern District of Texas (the “**U.S. Trustee**”) appointed the Official Committee of Unsecured Creditors (the “**Committee**”) pursuant to section 1103 of the Bankruptcy Code. [Docket No. 93, 116].

8. On February 25, 2021, the Court approved the retention of Larx Advisors Inc. to provide a chief restructuring officer and designated Erik Toth as CRO as of the Petition Date [Docket No. 148].

9. On July 19, 2021, the Debtors filed the *Joint Chapter 11 Plan for Spherature Investments LLC and Its Debtor Affiliates* (as supplemented, amended, and revised, the “**Plan**”) [Docket No. 371].

10. On November 12, 2021, the Court entered the Order Approving Disclosure Statement and Confirming Final Amended Joint Plan for Spherature Investments LLC and its Debtor Affiliates [Docket No. 708] (the “**Confirmation Order**”).

RELIEF REQUESTED

11. By this Final Application, Larx seeks (i) allowance and award of compensation for professional services rendered by Larx as CRO and financial advisor to the Debtors during the Compensation Period in the amount of \$1,498,245.00 , representing 2,964.0 hours of professional services; and (ii) reimbursement of actual and necessary expenses in the amount of \$5,454.89 incurred by Larx during the Compensation Period in connection with its rendering professional services.

12. Pursuant to the Interim Compensation Order, during these Chapter 11 Cases, Larx has served monthly fee statements for the months of December – November. The Debtors have remitted payment to Larx for those fees and expenses incurred for the months of December – March and partial payment for the month of April. As of the date of this Application, Larx has not received any objections to any monthly fee statements. A summary of Larx’s monthly fee statements during the Final Application Period is set forth as follows:

Period	Fees Incurred	Fees Paid	Expenses Incurred	Expenses Paid	Balance (Fees & Expenses)
12/21/20 – 1/31/21	\$177,065.00	\$141,652.00	\$440.86	\$440.86	\$35,413.00
2/1/21 – 2/28/21	\$142,845.00	\$114,276.00	\$333.33	\$333.33	\$28,569.00
3/1/21 – 3/31/21	\$137,825.00	\$110,260.00	\$333.33	\$333.33	\$27,565.00
4/1/21 – 4/30/21	\$117,495.00	28,547.25	\$333.33		\$89,281.08
5/1/21 – 5/31/21	\$107,990.00		\$333.33		\$108,323.33
6/1/21 – 6/30/21	\$162,915.00		\$333.33		\$163,248.33
7/1/21 – 7/31/21	\$127,400.00		\$468.35		\$127,868.35
8/1/21 – 8/31/21	\$173,355.00		\$374.80		\$173,729.80
9/1/21 – 9/30/21	\$156,420.00		\$1,133.33		\$157,553.33
10/1/21 – 10/31/21	\$146,785.00		\$1,287.57		\$148,072.57
11/1/21 – 11/5/21	\$48,150.00		\$83.33		\$48,233.33
Balance Owning:	\$1,498,245.00	\$394,735.25	\$5,454.89	\$1,107.52	\$1,107,857.12

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13. Larx has received no payment and no promises of payment from any source for services rendered or to be rendered in any capacity whatsoever in connection with the matters covered by this Final Application for the Compensation Period. There is no agreement or understanding between Larx and any persons unaffiliated with Larx for the sharing of compensation to be received for services rendered in these Chapter 11 Cases.

14. In connection with this engagement by the Debtors, Larx received a \$110,000.00 retainer.

15. Attached hereto as **Exhibit A** is a summary breakdown of hours and amounts billed by timekeeper. The summary lists those professionals who have performed services for the Debtors during the Compensation Period, the capacities in which each individual is employed by Larx, the hourly billing rate charged by Larx for services performed by such individual, and the aggregate number of hours expended in this matter and fees billed therefor.

SUMMARY OF SERVICES PROVIDED

16. This Final Application provides a brief summary of the services rendered by Larx on behalf of the Debtors during the Compensation Period by category. While it is not possible or practical to describe each and every activity undertaken by Larx, Larx has maintained contemporaneous time records, which include a detailed chronology of the daily services rendered describing the precise nature of the work, the specific tasks performed and the time expended by each professional. Copies of the time records underlying the monthly fee statements and the fees and expenses incurred by Larx are attached hereto as **Exhibit C**.

17. Further, Exhibit C to this Final Application sets forth (i) the number of hours expended by each Larx professional, (ii) the number of hours expended in each project category, and (iii) the expenses associated with the Final Application.

18. To the best of Larx's knowledge, the Final Application complies with sections 330 and 331 of the Bankruptcy Code, Bankruptcy Rule 2016, and Local Rule 2016-1.

19. The services performed by Larx are briefly summarized in the following categories of services:

(a) 363 Process

Fees: \$14,765.00; Total Hours 45.3

20. This category includes time expended reviewing the sale process, reviewing valuation models for potential bidders; reviewing data room documents and reviewing/updating files and information requests lists from potential bidders; preparing and updating outstanding commissions schedule; and attending meetings to compare purchase offers. This category also includes time spent reviewing the asset purchase agreement and letter of intent comparison analysis for accuracy and assumptions.

(b) Administration

Fees: \$7,920.00; Total Hours 22.6

21. This category includes time spent reviewing time detail in preparation for fee applications.

(c) Bankruptcy Support

Fees: \$13,290.00; Total Hours 37.4

22. This category includes time reviewing and updating damages model, chargeback analysis, and commissions and rewards payable versus chargebacks.

(d) CRO Services

Fees: \$1,113,8440.00; Total Effective Hours: 1,872

23. CRO Services are covered under the fixed weekly fee arrangement within the Larx engagement letter. The services included in this line item may include, but are not limited to: 363 Process, Accounting & Finance, Board Meetings, Budget Model, Cash Management, Claims Management, Court Hearings, Damages Model, Document Review, Email Exchanges, Fee Applications, Litigation Support, Meetings and Phone Calls, Financial Modeling, Monthly Operating Reports, Plan of Reorganization, Schedules and Statements, Time Management, and Official Committee of Unsecured Creditors.

(e) *Cash Management*

Fees: \$7,435.00; Total Hours 20.50

24. This category includes time reviewing and updating post-petition budget, reviewing commission schedules; and reviewing potential scenarios for DIP financing.

(f) Creditor Support

Fees: \$2,575.00; Total Hours 6.6

25. This category includes time spent on teleconferences with the Unsecured Creditors Committee (UCC) and Larx team to brief UCC financial advisors on status of case and current working group activities. These fees do not include the 3 times per week the CRO and UCC met throughout the case to maintain alignment.

(g) First Day Motions

Fees: \$1,995.00; Total Hours 5.7

26. This category includes time expended reviewing and preparing data on first day motions and updating schedules for utilities motion.

(h) Marketing

Fees: \$77,165.00; Total Hours 140.3

27. This category includes time reviewing certain action plans and next steps. This category also includes time spent: regarding Facebook account investigations, market research and data analysis, interviewing social media contractors, preparing new communication to sales representatives; and preparing plan overview for marketing services.

(i) Monthly Operating Reports

Fees: \$13,670.00; Total Hours 38.6

28. This category includes staff time preparing, reviewing and updating monthly operating reports. These fees do not include the time incurred by the CRO.

(j) *Plan of Reorganization*

Fees: \$24,310.00; Total Hours 69.0

29. This category includes time spent reviewing plan of reorganization scenarios; preparing and analyzing documents related to contract cure amounts; preparing liquidation analysis; and preparing drafts of topping bid template.

(k) Schedules and Statements

Fees: \$61,700.00; Total Hours 186.0

30. This category includes time spent reviewing and updating employee matrix, creditor matrix, and tax matrix in preparation for preparing schedules and statements. This category also includes time spent reviewing capture templates and requirements for schedules and statements filings and drafting global notes to be included with schedules and statements. This category also includes time spent preparing amendments to schedules and statements.

ACTUAL AND NECESSARY EXPENSES

31. During the Compensation Period, Larx incurred \$5,454.89 in out-of-pocket expenses on behalf of the Debtors. Larx charges only its actual out-of-pocket expenses to the client, and such out-of-pocket expenses are not marked up. Detailed descriptions of Larx's expenses are included in **Exhibit B** attached hereto.

32. While representing the Debtors in the Chapter 11 Cases, Larx charged the actual costs of virtual data services and meal charges.

33. Larx believes that the foregoing rates for the services rendered align with the market rates that the majority of financial advisory firms charge their clients for such services. The expenses are reasonable and economical in view of the necessity of the services provided and are of the type customarily charged to Larx's non-bankruptcy clients.

34. **Fee Application Preparation:** In accordance with the Exhibit H Guidelines, Toth states that he estimates that approximately 3.0 hours were spent on drafting this Final Application, reviewing related documents, fee statements, and applicable rules and guidelines, and participating in related communications.

WHEREFORE, Larx respectfully requests that the Court:

(a) approve the allowance of \$1,498,245.00 for compensation of professional services rendered to the Debtors during the period from December 21, 2020 through and including November 12, 2021;

(b) approve the reimbursement of Larx's out-of-pocket expenses incurred in connection with rendering such services during the period from December 21, 2020 through and including November 12, 2021, in the amount of \$5,454,89; and

(c) authorize and direct the Debtors to immediately pay to Larx a sum total of \$997,857.12 which amount represents the unpaid fees and expenses Larx incurred during the Compensation Period.

DATED: November 29, 2021

Respectfully submitted:

/s/ Erik Toth

Erik Toth

CEO & Managing Partner

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Suite 600

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CERTIFICATE OF COMPLIANCE

I certify that I have read the application, and to the best of my knowledge, information and belief, formed after reasonable inquiry, the compensation and expense reimbursement sought is in conformity with the Court's Local Rules Appendix 9007, Exhibit H, Guidelines for Compensation and Expense Reimbursement of Professionals in Complex Chapter 11 Cases. I certify that the compensation and expense reimbursement requested are billed at rates, in accordance with practices, no less favorable than those customarily employed by Larx and generally accepted by its clients.

/s/ Erik Toth

Erik Toth

CERTIFICATE OF SERVICE

I hereby certify that on November 29 2021, a true and correct copy of the foregoing document was served electronically, via email, on the following Notice Parties: Counsel for the Official Committee of Unsecured Creditors, the Office of the United States Trustee for the Eastern District of Texas, and Counsel for the Debtors' secured lenders.

/s/ Jack G. Haake

Jack G. Haake